

The Annual Financial Report (AFR) is a data collection mandated by Louisiana Revised Statute 17:92. This law requires that school systems provide financial data to the department no later than September 30<sup>th</sup> each year. The AFR is designed to guide financial data reporting to ensure accuracy and uniformity. The AFR data is utilized in the Louisiana Minimum Foundation Program (MFP) formula calculations, the federal National Public Education Financial Survey (NPEFS), Indirect Cost rate calculations, ESSA and IDEA Maintenance of Effort calculations, in addition to other federal and state required reports.

**Supporting Materials discussed in this document are located at**  
<https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm>

- **Overview and Reference Documents**
  - Overview of Annual Financial Review Process (PowerPoint)
  - Annual Financial Report System User Guide
  - Federal Cash Management Improvement Act
  - FY2020-2021 Subawards for Indirect Costs Calculation User Guide
- **AFR 2020-2021 Instructions and Forms**
  - 2020-2021 Fiscal Project Codes
  - GASB 84 and Louisiana School Activity Funds
  - 2020-2021 Project Code AB1 Reporting
  - 2020-2021 Revenue Coding for Federal & State Grants
  - 2020-2021 Revenue Coding Guidance
  - 2020-2021 Expenditure Coding Guidance
  - Frequently Asked Questions for Expenditure Coding
  - 2020-2021 AFR Form with formulas for City/Parish systems (Excel)
  - 2020-2021 AFR Form with formulas for charters, lab schools, & state agencies (Excel)
- **AFR Review Process**
  - 2020-2021 Post Submission Audit Review Instructions
  - 2020-2021 AFR Review Checklist – City/Parish Systems
  - 2020-2021 Response to AFR Checklist – City/Parish Systems
  - 2020-2021 AFR Review Checklist - Charters, Lab schools & State Agencies
  - 2020-2021 Response to AFR Checklist Form - Charters, Lab Schools & State Agencies(Excel)
  - 2020-2021 Special Reporting Certification – City/Parish, Charters, Lab Schools & State Agencies

### **REPORTING REQUIREMENTS FOR SCHOOL SYSTEMS**

AFR reports reflecting financial data for 2020-2021 are required from school systems including city/parish school systems, BESE-authorized Type 2 and 5 charter schools, LSU and Southern University Lab Schools, Office of Juvenile Justice (OJJ), Louisiana Schools for Math, Science and the Arts (LSMSA), New Orleans Center for Creative Arts (NOCCA) and Thrive Academy.

Submissions of separate school/site-specific financial information in LEADs are also required for each system-authorized charter school (i.e., Types 1, 3, and 4) that operated during the 2020-2021 school year.

### **REPORTING SYSTEM (REMINDER)**

The 2020-21 fiscal year AFR data must be submitted to the *Louisiana Educational Accountability Data Systems* (LEADs) portal. The portal can be accessed via <https://leads3.doe.louisiana.gov/pt/>

### **REPORTING FORMS:**

AFR forms are located at <https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm> and include the following:

- 2020-2021 AFR Form with formulas for districts (Excel)
- 2020-2021 AFR Form with formulas for charters, lab schools, & state agencies (Excel)

### **SYSTEM SECURITY AND PERMISSIONS**

Refer to Annual Financial Report System User Guide at <https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm> for information

### **REPORTING TIMELINES**

The schedule below contains major milestones governing submission of the FY2020-21 AFR.

School systems are reminded that compliance with the AFR timelines are a component of the annual Fiscal Risk Assessment. In the Financial Risk Assessment, a clean complete submission by November 1, 2021, (no outstanding AFR edit errors and no unresolved issues with State Audit staff) is considered a timely submission. Untimely submissions may result in a lower rating on the Financial Risk Assessment, potentially resulting in a rating of “needs improvement” or “unacceptable”.

**FY2020-2021**

<b>September 1, 2021</b>	<b>LEADS portal opens for AFR submission via Internet Electronic File Transfer or by Web AFR On-line update process</b>
<b>September 30, 2021</b>	<b>Deadline for Mandatory Initial AFR Submission ( including all Fiscal Project Code data) according to R.S. 17:92</b>
<i>November 1</i>	<i>Excellent rating in Fiscal Risk Assessment</i>
<i>November 2 – November 30</i>	Good rating in Fiscal Risk Assessment
<i>December 1 – December 30</i>	Needs Improvement rating in Fiscal Risk Assessment
<i>December 31 or later</i>	Unacceptable rating in Fiscal Risk Assessment
<b>December 31, 2021</b>	<b>LEADS Portal will be closed for AFR submission</b>

**REQUIRED DATA**

All revenues and expenditures including all sources such as Minimum Foundation Program (MFP), state general fund, federal, local, self-generated including hurricane and flood revenues, etc. must be included in the AFR.

Classification of revenues and expenditures in the AFR should be based on the definitions contained in the *Bulletin 1929, Louisiana Accounting and Uniform Governmental Handbook (LAUGH)* – July 2014. For access to LAUGH: [https://www.louisianabelieves.com/docs/default-source/school-choice/guide---laugh-guide.pdf?sfvrsn=ae3e96bd\\_4](https://www.louisianabelieves.com/docs/default-source/school-choice/guide---laugh-guide.pdf?sfvrsn=ae3e96bd_4)

The 2020-2021 AFR includes two new Revenue codes: 1) 1760 – Student Activity Funds: Revenue generated by student groups (with a new Keypunch code 2560), and 2) Title IX – Homeless Education (with new Keypunch code 11502).

Additional guidance for coding revenues may be accessed in the document entitled “2020-21 Revenue Coding Guidance” and “Revenue Coding for Federal & State Grants.” For additional guidance on classification of expenditures, see the document entitled “2020-21 Expenditure Coding Guidance.” Additional coding on expenditure questions can be found in the document titled “Frequently Asked Questions for Expenditure Coding.”

### **FISCAL PROJECT CODES (FPC)**

Fiscal Project Codes (FPC) are an additional component of reporting within the AFR to collect detailed expenditure data to meet specific reporting requirements. Each FPC is a separate file and each file must be separately uploaded or entered to the Web-AFR system via the *Louisiana Educational Accountability Data Systems (LEADS) Portal*. For 2020-21 fiscal year there are four projects codes from previous fiscal years that are again being utilized:

AA0 – Basic AFR (Primary)  
AB1 – Economically Disadvantaged (Secondary)  
DF1 – Flood Preparation and Recovery (Secondary)  
DH1 – Hurricane Recovery (Secondary)

AAO is the primary Fiscal Project Code (FPC). All school systems must submit data in AAO. Other secondary FPCs may not be applicable to all school systems.

**NOTE:** New for the 2020-21 reports are five new project codes that are needed to meet federal reporting requirements. A complete list of the new FPCs is located within the document entitled “FY 2020-21 Fiscal Project Codes.” All school systems will likely have amounts to be reported in the new codes.

**A.** Funds allocated to school systems under the *Coronavirus Aid, Relief and Economic Security (CARES) Act* and the *American Rescue Plan (ARP)* require specific reporting on how funds were used. Collection of this information will require the submission of new Fiscal Project Code(s).

These new FPCs are:

CV1 – CARES-GEERF (CFDA 84.425C)  
CV2 – CARES – ESSERF I (CFDA 84.425D)  
CV3 – CARES – ESSERF II (CFDA 84.425D)  
CV4 – ARP – ESSERF III (CFDA 84.425D)

**B.** GASB 84 requires a new reporting format for Student Activity Funds. The accounting for Louisiana student activity funds will shift away from fiduciary funds to governmental funds under GASB 84. Additional information on the changes to the AFR associated with GASB 84 are located in the document *entitled "GASB 84 and Louisiana School Activity Funds."* All school systems will be required to implement this project code.

The new project code is:  
SAF – Student Activity Funds

### **DATA ACCURACY**

School systems should institute controls within its own data collection and reporting process to ensure the submission of accurate and complete financial data.

Below are some items to pay special attention to:

- District tax information in AFR Tables 2A and 2B are used in the Minimum Foundation Program (MFP) formula and incorrect reporting by one school system may ultimately affect the distribution of state dollars to all school systems.
- School systems are also reminded that the calculation of the indirect cost rate for each school systems or individually-reported schools is based on AFR data; as are the determination of eligibility for reimbursement of IDEA, Part B expenditures through calculation of excess costs.
- Incorrect reporting for IDEA and ESSA expenditures will affect the Maintenance of Effort (MOE) calculation for the school system, which may result in a reduction of the ESSA allocation and/or reimbursement to LDOE from the school system's General Fund.
- Post-Retirement Health Benefits are costs of health insurance or health services not included in a pension plan. These costs may be computed using one of two methods: a pay-as-you-go method based on actual payments or an acceptable actuarial cost method. Each school system determines their own methodology of reporting post-retirement health benefits and is responsible for reporting this information accurately in the AFR.

### **AFR REVIEW PROCESS**

Upon submission of your AFR, you will receive an e-mail from the Audit team with instructions on how to respond to questions on the submission. The e-mail will include instructions in a document called *"Accessing your Post Submission Audit Reports."*

Once all reports have been reviewed and corrections made as applicable, each school system should go into LEADS and make corrections (instructions can be found in the Annual Financial Report System User Guide).

Once all corrections are made, go to LEADS AFR page <https://leads13.doe.louisiana.gov/lug/AFR/AFR.htm> and access the following documents:

- AFR Review Checklist – Access the report applicable to your school system (there is one version for city parish school system and one version for charter schools). Review each item and verify if corrections are needed, and respond on the form to [stateaudit@la.gov](mailto:stateaudit@la.gov). If additional comments are needed, please use the response form. The documents are titled *"FY 2020-2021 AFR Review Checklists – City Parish School Systems"* and *"FY 2020-2021 AFR Review Checklists – Charters, Lab Schools & State Agencies."*
- Once corrections have been made, submit the completed checklist forms and the Special Reporting Certification Form inclusive of Business Manager signature to [staudit@la.gov](mailto:staudit@la.gov).

### **QUESTIONS**

If you have any questions concerning the revenue or expenditure classification or related accounting matters, contact [staudit@la.gov](mailto:staudit@la.gov). For questions regarding the electronic submission or online update process, contact [SystemSupport@la.gov](mailto:SystemSupport@la.gov).